

LAW OFFICES OF  
VAN COTT, BAGLEY, CORNWALL & MCCARTHY

A PROFESSIONAL CORPORATION

141 EAST FIRST SOUTH

SALT LAKE CITY, UTAH 84111

TELEPHONE 532-3333

AREA CODE 801

DENNIS MCCARTHY  
LEONARD J. LEWIS  
DAVID E. SALISBURY  
GRANT MACFARLANE, JR.  
MAX B. LEWIS  
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RICHARD K. SAGER  
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ROBERT A. PETERSON  
DANNY C. KELLY  
RICHARD H. JOHNSON, II  
SAMUEL O. GAUFIN  
H. MICHAEL KELLER  
J. SCOTT LUNDBERG  
STEVEN D. WOODLAND  
JOHN H. STEED

BENNETT, HARKNESS & KIRKPATRICK 1874-1890  
BENNETT, MARSHALL & BRADLEY 1890-1896  
BENNETT, HARKNESS, HOWAT  
SUTHERLAND & VAN COTT 1896-1902  
SUTHERLAND, VAN COTT & ALLISON 1902-1907  
VAN COTT, ALLISON & RITER 1907-1917  
VAN COTT, RITER & FARNSWORTH 1917-1947

OF COUNSEL  
CLIFFORD L. ASHTON

June 18, 1979



Denise Dragoo, Esq.  
Special Assistant Attorney General  
Utah Division of Oil, Gas, and Mining  
1588 West North Temple  
Salt Lake City, Utah 84116

Dear Denise:

Enclosed please find an original of the corrected first page of the Surety Agreement between Atlas Corporation and the Board of Oil, Gas, and Mining. You may replace the first page of said Agreement in your files with the enclosed page.

Very truly yours,

James A. Holtkamp

JAH/as

Enclosures



ACT/019/003  
0.1

SURETY AGREEMENT

THIS AGREEMENT, made and entered into this 31<sup>st</sup> day of May, 1979, between Atlas Corporation, a Delaware corporation (hereinafter called the "Operator"), and the Board of Oil, Gas, and Mining, duly authorized and existing by virtue of the laws of the State of Utah (hereinafter called the "Board").

W I T N E S S E T H:

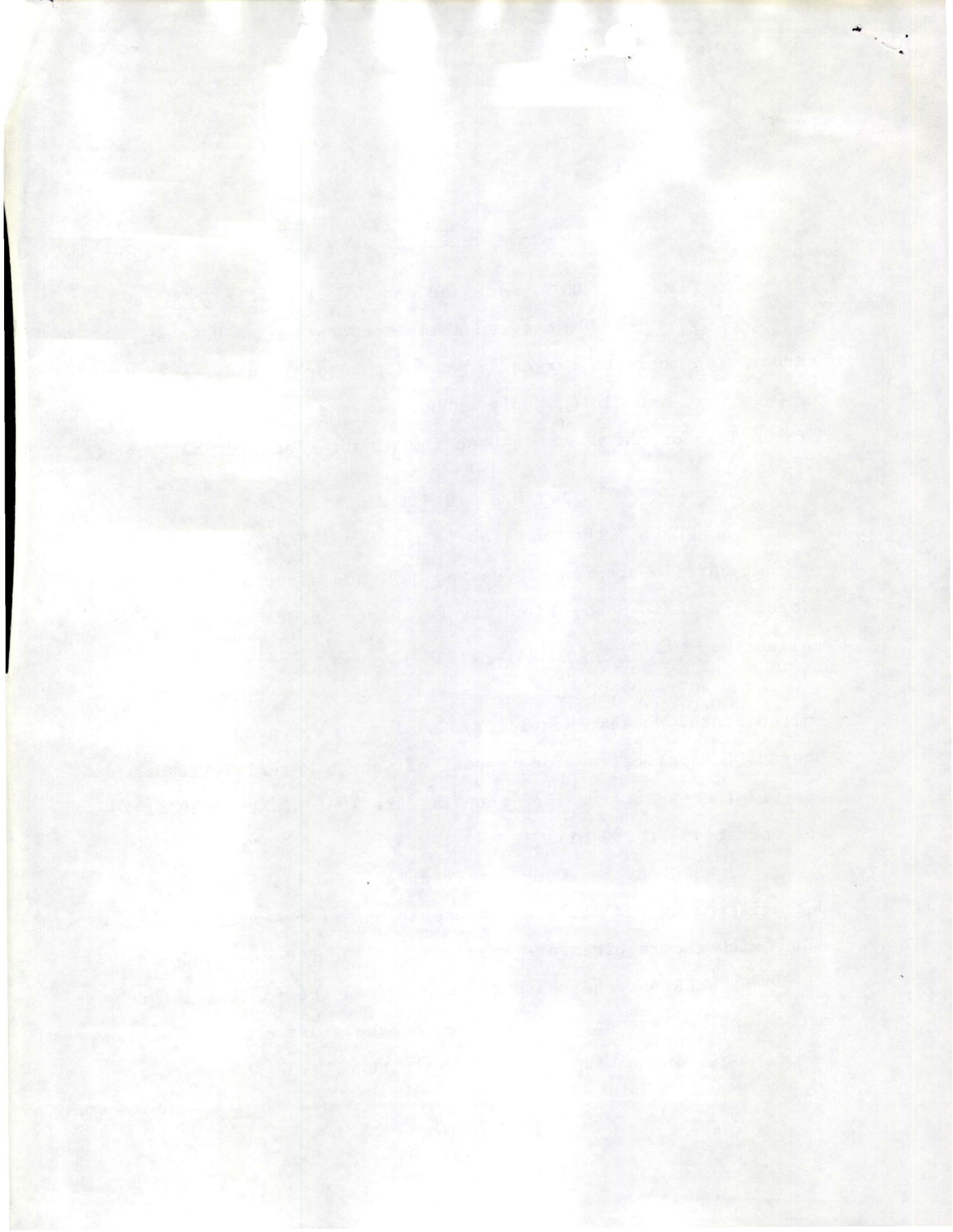
WHEREAS, the Operator is the owner and in possession of that certain uranium processing mill and associated tailings disposal area in Moab, Grand County, State of Utah (hereinafter called the "Mill").

WHEREAS, on \_\_\_\_\_, 1979, the United States Nuclear Regulatory Commission approved the Operator's application for renewal of Source Material License SUA-917 (hereinafter called the "License") as of April 30, 1979, for operation of the Mill; and

WHEREAS, the Operator is able and willing to conduct decommissioning and reclamation operations at the Mill in accordance with the requirements specified in the License; and

WHEREAS, the Board has considered the factual information and recommendations provided by the staff of the Division of Oil, Gas, and Mining as to the magnitude, type and costs of







## SURETY AGREEMENT

THIS AGREEMENT, made and entered into this 31st day of May, 1979, between Atlas Corporation, a Delaware corporation (hereinafter called the "Operator"), and the Board of Oil, Gas, and Mining, duly authorized and existing by virtue of the laws of the State of Utah (hereinafter called the "Board").

### W I T N E S S E T H:

WHEREAS, the Operator is the owner and in possession of that certain uranium processing mill and associated tailings disposal area in Moab, Grand County, State of Utah (hereinafter called the "Mill").

WHEREAS, on April 23, 1979, the United States Nuclear Regulatory Commission approved the Operator's application for renewal of Source Material License SUA-917 (hereinafter called the "License") as of April 30, 1979, for operation of the Mill; and

WHEREAS, the Operator is able and willing to conduct decommissioning and reclamation operations at the Mill in accordance with the requirements specified in the License; and

WHEREAS, the Board has considered the factual information and recommendations provided by the staff of the Division of Oil, Gas, and Mining as to the magnitude, type and costs of



the decommissioning and reclamation activities planned for the Mill.

NOW, THEREFORE, for and in consideration of the mutual covenants of the parties by each to the other made and herein contained, the parties agree as follows:

1. The Operator agrees to conduct decommissioning and reclamation activities at the Mill in accordance with the conditions of the License which are in effect at the time of the commencement of such activities.

2. If the Operator fails to commence decommissioning and reclamation activities at the Mill in accordance with the requirements specified in the License within TWO (2) years after the tailings area has reached sufficient dryness to allow such activities to commence, the Operator shall pay to the Board the total cost of such decommissioning and reclamation activities as determined in accordance with the provisions of paragraph 3 of this Agreement, reduced by the cost of any decommissioning or reclamation of the Mill already performed as required by the License in accordance with the provisions of paragraph 4 of this Agreement. Said sum shall be used by the Board to complete decommissioning and reclamation activities at the Mill in accordance with the requirements specified in the License.



3. If the Operator fails to commence the decommissioning and reclamation activities required by the License at the Mill within the time specified in paragraph 2 of this Agreement, the Board shall determine the cost of such reclamation and decommissioning based on the conditions for reclamation and decommissioning specified in the License which are in effect at the time the determination is made. Such determination by the Board shall be preceded by notice and public hearing in order to allow the participation of interested parties.

4. If the Operator completes any decommissioning or reclamation work at the Mill which is required to be performed pursuant to the License, the total amount specified in paragraph 2 of this Agreement shall be reduced by the cost of such work as indicated by an accounting of costs for the work supplied to the Board by the Operator. Any such reduction shall be evidenced by an amendment to this Agreement executed by the parties hereto and approved by the Board. If any of said work is completed before the cessation of permanent operations at the Mill, allowance shall be made for inflation of the cost of said work from the time that said work was performed to the cessation of such operations.



IN WITNESS WHEREOF, the parties hereto have respectively  
set their hands and seals this 31<sup>st</sup> day of May, 1979.

ATTEST:

ATLAS CORPORATION

Shelia R. Busby  
Secretary

By A. E. Deard

SEAL

BOARD OF OIL, GAS, AND MINING

By John L. Bell



STATE OF )  
COUNTY OF ) ss.

On the 24th day of May, 1979, A.D., personally appeared before me A.E. Dearth, who being by me duly sworn did say that he is the Vice President of Atlas Corporation, and that said instrument was signed in behalf of said corporation by authority of its bylaws, and said A.E. Dearth acknowledged to me that said corporation executed the same.

My Commission Expires



Lana Hadlock  
NOTARY PUBLIC  
Residing At: S.L.C.

Thalia R. Busby, Secretary of the Board of Oil, Gas, and Mining of the State of Utah, hereby certifies that the foregoing Surety Agreement was approved by the Board on the 24<sup>th</sup> day of May, 1979, in Cause No. ACT/019/003

Thalia R. Busby